CITY OF ROSSLAND

1986

ANNUAL REPORT

THE CORPORATION OF THE CITY OF ROSSLAND

ANNUAL REPORT

1986

GENERAL GOVERNMENT SERVICES

Legislative

The elections in November introduced two new members to Rossland's City Council.

1985-1986 Council	1986-1987 Council
Mayor J. Drysdale	Mayor J. Drysdale
Alderman L. Charlton	Alderman P. Cayen
Alderman G. Jenkins	Alderman G. Jenkins
Alderman M. Pistak	Alderman R. Miller
Alderman M. Samuelson	Alderman M. Pistak
Alderman R. Steckle	Alderman M. Samuelson
Alderman J. Wild	Alderman R. Steckle

1986 was again a heavy legislative year, 33 bylaws were enacted to implement Council policies, priorities and programs.

Council introduced a formal policy system, concise statements of the background, the goals and the objectives of policies adopted by Council to guide the management of City affairs. These policies are public documents, and they are available to any resident in the community.

The most notable development within the organizational structure of the City was the commissioning of a Performance Measurement and Planning Program for the Public Works and Recreation Departments. This program, developed from a study by the management consultant firm of Deloitte, Haskins and Sells Associates, confirmed that both the Public Works and the Recreation Departments are lean and efficient operations. The program enables future Councils to accurately and continuously monitor the workload, efficiency and effectiveness of every function performed by these departments.

General Administration

Many prior initiatives to improve administrative productivity were maintained or accelerated in 1986. Staff members took advantage of work related training opportunities offered during the year. Council's goal to increase flexibility and versatility in administration staff skills was achieved.

The City cooperated with Selkirk College by providing a work experience placement for a local student.

Financial Management

The financial management practices of the City were further improved in 1986. All reserves for future expenditures are now fully funded by interest bearing bank accounts. All services offered by the City continue to be recorded by a system of fund accounting, relating all designated revenues to their respective expenditures.

THE CORPORATION OF THE CITY OF ROSSLAND

PROTECTIVE SERVICES

Police Protection

Police protection is provided by the Royal Canadian Mounted Police under contract with the Province of British Columbia.

Bylaw Enforcement

The City Clerk is responsible for the enforcement of the City's Bylaws. To assist her with this responsibility, the City employs one part-time officer to enforce the parking regulations of the Traffic Safety Bylaw. The enforcement of the Animal Control Bylaw, the Zoning Bylaw and the Building Bylaw is contracted to the Regional District of Kootenay Boundary at a total cost of $8,000 per year.

Fire Protection

Fire protection is provided by the Regional District of Kootenay Boundary. The charge for that service to the City was $38,600.

Emergency Measures

The City's Emergency Measures Coordinator is responsible for an area which extends well beyond City boundaries. Funding for emergency measures is provided by the Province of British Columbia.

TRANSPORTATION SERVICES

Road Services

This is the most expensive service provided by the City. With a crew of 8 people, the City maintains 42 km of roads. In addition, the maintenance of lanes, sidewalks and steps also falls into this service category.

Snowplowing, sanding and snow removal account for the greatest cost of this service. Two graders, two snowblowers, one wheeled dozer and two truck plow/sanders are assigned to snowplowing. Snow removal involves one grader, one blower and three dump trucks.

The 1986 snowfall measured 342.6 cm, less than the historic average of 355.8 cm and considerably less than the average of the past ten years, 386.7 cm.

Summer road maintenance was reduced as a cost cutting measure. Line painting, dust control and street sweeping were the services primarily affected by the cutbacks.

Equipment

The City employs one mechanic to maintain a fleet of 27 equipment units, including graders, loaders, backhoes, snowblowers, a variety of trucks and special purpose vehicles. Two old pickups were replaced by two good used units, one backhoe and one snowblower were replaced.

Urban Transit

Rossland is connected to an extensive regional transit network. The service is provided under contract by the Trail Regional Transit System. The City's share of the 1986 operating deficit was $10,000.

ENVIRONMENTAL HEALTH SERVICES

Water Service

Three employees are responsible for the maintenance of the water system. A policy of full user-pay financing was introduced for the operation of the water system, eliminating the need for subsidies from general revenues. To moderate the impact of full user-pay rates on large volume consumers, the City offered a subsidized meter installation package to commercial consumers. Ten meters were installed under this program, bringing the total number of metered services to forty-six.

Sewer Service

The crew which maintains the water system is also responsible for the maintenance of the sewer system. The sewer system operated without significant interruptions or problems in 1986. The long-standing capacity problems experience with the sewer interceptor line were not eliminated, but ongoing negotiations produced a solution which could be implemented in 1987 within reach.

To reduce the liability and nuisance claim exposure from sewer system failures, the City launched an extensive backwater valve retrofitting program. Through this program, the risk factor was reduced by 30%.

Sewage treatment is a regional district function; the operating and capital cost of that service to Rossland in 1986 was $107,000.

Garbage Service

The operation of the garbage dump in Trail is a regional function. Rossland's share of that cost was $9,400.

The pickup and hauling of garbage is provided for the City by a private contractor at an annual cost of $99,800.

Spring clean-up was offered as a user-pay service. The experiment was not successful; the delivery of this service will be reviewed for 1987.

PUBLIC HEALTH & WELFARE SERVICES

Cemetery

The operation of the Mountain View Cemetery is a regional district function. Rossland's share of that service is $4,800.

The City maintains the Columbia Cemetery to a minimum standard of care; funding for this program is provided by the Regional District of Kootenay Boundary.

Public Health

The City's direct role in public health is limited to the maintenance of the Rotary Health Center and to participation on the Union Board of Health.

THE CORPORATION OF THE CITY OF ROSSLAND

ENVIRONMENTAL DEVELOPMENT SERVICES

Community Development

The program of resolving infrastructure trespass occurrences was maintained in 1986. Legal and survey work was initiated to resolve encroachments for more than 12 owners. The bulk of these will be resolved in 1987. Work was initiated to resolve the land ownership impasse caused by the Knoxville Fraction mineral claim.

Tourism

The City was instrumental in reconstituting the Rossland/Red Mountain Development Society. The task assigned to the society is to brainstorm tourism development projects and to coordinate efforts to enhance Rossland's designation as a tourism destination center. The City also participated in the funding of the Greater Trail Community Economic Action Committee and in the Regional District Economic Development Function.

RECREATION & CULTURAL SERVICES

Recreation Facilities

The arena is Rossland's major recreation facility. This building incorporates a skating arena, a four sheet curling rink and two lounges. The principal users of the building are skaters and curlers. There is only limited summer use of the facility. The Recreation Department employs three full time and two part time staff members. Park maintenance was reduced as a short term cost cutting measure.

Programs

Most recreation programs available in the community are offered by volunteer organizations in cooperation with the Recreation Department. This cooperation takes the form of financial or administrative assistance and support services.

The City has a general policy of encouraging community organizations to assume more responsibility and authority in the delivery of services. The relationship between the City and the various community organizations is formally established by contracts. The City was able to assist the Pool Society to retain their service to the community by extending liability insurance coverage to the Society owned pool when they were unable to secure independent liability insurance.

The job description of the recreation department clerk was revised to put greater emphasis on recreation programming.

Cultural Facilities

The City assumed the operating responsibility for the Miners' Union Hall from the Heritage Society.

Council endorsed a successful application by the Rossland Historical Museum Association for an Expo Legacy Grant to help finance the construction of a new wing for the Western Canada Ski Hall of Fame.

THE CORPORATION OF THE CITY OF ROSSLAND

FISCAL SERVICES

The debt load of the City is significant. The interest, principal and lease payments in 1987 amounted to $344,500. These payments will not be appreciably reduced until the year 1996.

The City paid $29,500 in short term interest charges to cover borrowing necessary to cover the cash flow deficiency resulting from our very high balance of unpaid taxes. The cost of short term borrowing was reduced by $4,200 in 1986 due to the City's flexible and competitive banking policy.

CAPITAL PROJECTS

The 1986 capital program exceeded half a million dollars. Expenditures for road projects amounted to nearly $140,000. The most noteworthy project was the paving of the first phase of the Railway Street project. Water and sewer improvement projects amounted to $94,000.

100 street lights were replaced in the second phase of the three year program to replace high energy consumption mercury vapor street lights with energy efficient high pressure sodium lights.

Minor capital projects included the continuation of the Columbia Cemetery restoration, a project funded by the regional district, and improvements to the electrical installations in the arena and Harry Lefevre Park.

The highlight of the 1986 capital program was the successful referendum to acquire a new City Hall. The City purchased the former C. S. Williams Medical Clinic for $112,000; renovation work to transform the clinic into a City Hall was started in late December.

THE CORPORATION OF THE CITY OF ROSSLAND

SUMMARY

It was no longer possible to maintain the quality and quantity of services by offsetting increasing operating costs with efficiency and productivity. Revenues were increased for water, sewer and garbage services, while service cuts were made in road maintenance and recreation.

Reserves were exhausted, which means that new revenues had to be generated to finance capital projects.

OUTLOOK

The road infrastructure will benefit from major capital investments because of funding approved by the Province for 1987.

City Hall will be moving to the new location on Columbia Avenue and Spokane Street. The Regional District will soon have to make a decision on the future of the fire hall. Council will be actively searching for an appropriate use of the old fire hall to preserve this heritage building for Rossland.

Taxation will be a problem in 1987 because the new assessment has not affected all properties equally.

Some financial relief is expected in 1987; the Province has announced an adjustment to their grant programs to give increased assistance to less affluent municipalities.

Economic development will become an issue of increasing concern to municipalities. The City will be expected to play a much greater role in monitoring local economic indicators and in fostering new initiatives.

THE CORPORATION OF THE CITY OF ROSSLAND

INCORPORATED MARCH 2, 1897

THE PEOPLE

COUNCIL

Mayor J. Drysdale
Alderman R. Miller
Alderman G. Jenkins
Alderman M. Pistak
Alderman M. Samuelson
Alderman R. Steckle
Alderman P. Cayen

COMMITTEES

Advisory Planning Commission
Alderman M. Pistak
Larry Doell
Harry Lefevre
Jack McDonald
Maureen Milne
Chris Overton
Arnie Sherwood
Tony Heim
Rod Beaupric

Recreation Commission
Alderman P. Cayen
Mim Castle
Shirley Donald
Grant Lenarduzzi
Bev McEwan
Jack Richardson
Phyllis Terrio

Personnel Committee
Alderman R. Steckle
Alderman M. Samuelson

Union Board of Health
Alderman R. Miller

STAFF

Alfie Albo, Works Superintendent
Bill Burbridge, Truck Driver
John Drake, Truck Driver
Marilyn Espenhain, City Clerk
Frank Harris, Plumber
Ron Laybourne, Operator
Kathy Martin, Sr. Accounting Clerk
Darryl Pettitt, Truck Driver
Jack Richardson, Recreation Director
Nancy Scott, Arena Operator
Raymond Von Diebitsch, Arena Operator
George Wilson, Mechanic

Babs Bourchier, Recreation Clerk/Programmer
Andre Carrel, City Administrator/Treasurer
Tom Drake, Arena Operator
Ernie Geronazzo, Operator
Joe Issel, Carpenter
Ron Lloyd, Operator
Desmond Monaghan, Arena Operator
Catherina Rensing, Traffic Officer
Richard Samuelson, Works Foreman
Dave Turner, Planning Technican
Don Williams, Operator
Aileen Zanier, Administrative Clerk

THE CORPORATION OF THE CITY OF ROSSLAND

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 1986

THE CORPORATION OF THE CITY OF ROSSLAND

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YEAR ENDED DECEMBER 31, 1986

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Soligo, Koide & John

CHARTERED ACCOUNTANTS

Soligo, Koide & John

CHARTERED ACCOUNTANTS

TRAIL – CASTLEGAR – GRAND FORKS

AUDITORS' REPORT

We have examined the balance sheets of the Corporation of the City of Rossland as at December 31, 1986 and the statements of surplus, revenue and expenditure, equity in capital assets and capital financing for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances. However, we were not able to verify the inventory totals contained in the books of account since inventories were not taken at year end.

In our opinion except for inventory amounts these financial statements present fairly the financial position of the city as at December 31, 1986 and the results of its operations for the year then ended in accordance with accounting principles generally accepted for British Columbia Municipalities applied on a basis consistent with that of the preceding year.

Soligo, Koide & John

CHARTERED ACCOUNTANTS.

TRAIL, B. C.,
March 16, 1987.

THE CORPORATION OF THE CITY OF ROSSLAND

COMBINED BALANCE SHEETS - OPERATING FUNDS

DECEMBER 31, 1986

ASSETS

	1986	1985
General operating fund		
Cash	$ 102,140	$ 56,502
Taxes receivable	309,675	327,938
Due from federal government	347	248
Due from provincial government	17,880	15,009
Due from other local governments	1,743	15,422
Due from own funds		
Sewer operating fund	25,457	-
Trade accounts receivable		
Garbage rates receivable	12,862	17,672
Other	10,856	23,793
Inventories - at cost	22,471	30,877
Property acquired for taxes		
Subject to redemption	67,724	1,659
Deeded to municipality	60,511	58,852
M. F. A. debt reserve fund	58,284	56,945
Prepaid expenses and deferred charges	89,775	104,726
	779,725	709,643
Water operating fund		
Due from general operating fund	27,777	-
Due from provincial government	15,900	15,400
Water rates receivable	12,606	10,670
Inventories - at cost	17,770	38,860
M. F. A. debt reserve fund	31,805	30,972
	105,858	95,902
Sewer operating fund		
Due from sewer capital fund	39,110	-
Due from provincial government	37,600	30,200
Sewer rates receivable	13,658	10,491
Inventories - at cost	17,770	3,081
M. F. A. debt reserve fund	17,950	17,442
	126,088	61,214
	$ 1,011,671	$ 866,759

Treasurer

STATEMENT A

LIABILITIES

	1986	1985
General operating fund		
Bank loan	$ 435,000	$ 250,000
Due to other governments	19	6,538
Due to Regional District of Kootenay Boundary	2,229	6,586
Due to own funds - sale of land	-	5,681
- tax sale land fund	-	7,252
- water operating fund	27,777	-
- general capital fund	532	-
- water capital fund	-	7,420
- sewer capital fund	-	9,549
Trade accounts payable	153,731	228,880
Accrued wages	24,290	18,608
Other liabilities		
Prepaid garbage rates	141	464
Other prepaid charges	1,952	839
Performance deposits	-	300
Reserves		
Future expenditures	51,312	170,727
Equipment replacement	1,402	80,373
M. F. A. debt reserve fund - cash requirement	12,190	10,851
- demand note requirement	46,094	46,094
Surplus (deficit) - Statement B	23,056	(140,519)
	779,725	709,643
Water operating fund		
Prepaid water rates	273	610
M. F. A. debt reserve fund - cash requirement	7,946	7,113
- demand note requirement	23,859	23,859
Surplus - Statement B	73,780	64,320
	105,858	95,902
Sewer operating fund		
Prepaid sewer rates	264	539
Due to general operating fund	25,457	-
M. F. A. debt reserve fund - cash requirement	4,752	4,244
- demand note requirement	13,198	13,198
Surplus - Statement B	82,417	43,233
	126,088	61,214
	$ 1,011,671	$ 866,759

STATEMENT B

THE CORPORATION OF THE CITY OF ROSSLAND

COMBINED STATEMENT OF OPERATING FUNDS SURPLUS

YEAR ENDED DECEMBER 31, 1986

	1986				1985
	General Operating Fund	Water Operating Fund	Sewer Operating Fund	Total	Total
Balance, beginning of year - Note 5	($ 140,519)	$ 64,320	$ 43,233	($ 32,966)	$ 31,407
Add: Prior period adjustment	1,572	-	-	1,572	-
Excess of revenue over expenditure for the year Statement C, D and E	162,003	9,460	39,184	210,647	-
	23,056	73,780	82,417	179,253	31,407
Deduct: Excess of Expenditure over revenue for the year Statement C&D	-	-	-	-	32,966
Surplus Appropriated for current year	-	-	-	-	31,407
	-	-	-	-	64,373
Balance, surplus (deficit) end of year Statement A	$ 23,056	$ 73,780	$ 82,417	$ 179,253	($ 32,966)

Treasurer

STATEMENT C

THE CORPORATION OF THE CITY OF ROSSLAND

GENERAL OPERATING FUND

STATEMENT OF REVENUE AND EXPENDITURE

YEAR ENDED DECEMBER 31, 1986

	1986	1985
Revenue		
Taxes	$ 1,034,959	$ 952,352
Grants in lieu of taxes	33,914	25,591
Sales of services	222,525	202,132
Other revenue from own sources	445,876	474,159
Unconditional transfers from other governments	236,766	234,301
Conditional transfers from other governments	267,178	237,523
Collections for other governments	587,728	581,947
Transfers from own funds		
Reserve for equipment replacement	85,395	81,685
Reserve for working capital	136,898	-
Other reserves	9,100	180,884
Transfer of prior years' surplus	-	31,407
Total revenue	3,060,339	3,001,981
Expenditure		
General government services	358,440	431,378
Protective services	24,817	28,300
Transportation services	606,298	666,649
Environmental health services	102,494	106,911
Public health and welfare services	3,217	2,198
Environmental development services	10,026	11,350
Recreational and cultural services	325,799	341,750
Fiscal services	314,652	321,387
Unconditional transfer to Regional District of Kootenay Boundary	157,047	140,605
Transmission of taxes levied for other governments	593,511	589,083
Transfers to own funds and reserves		
Water operating fund - Statement D	63,862	42,152
Sewer operating fund - Statement E - Note 4	90,957	213,528
General capital fund	247,216	160,166
Reserve for equipment replacement	-	11,873
Total expenditure	2,898,336	3,067,330
Excess of revenue over expenditure - Statement B	$ 162,003	($ 65,349)

Treasurer

STATEMENT D

THE CORPORATION OF THE CITY OF ROSSLAND

WATER UTILITY OPERATING FUND

STATEMENT OF REVENUE AND EXPENDITURE

YEAR ENDED DECEMBER 31, 1986

	1986	1985
Revenue		
Sale of services	$ 115,620	$ 91,098
Other services	3,830	2,522
Transfers from general operating fund - Statement C	63,862	42,152
Unconditional transfers from provincial government	29,827	29,615
Transfer from water capital fund	7,604	100,488
Total revenue	220,743	265,875
Expenditure		
General government services	17,239	-
Environmental health services		
Purification and treatment	6,833	5,192
Service of supply	32,777	41,976
Transmission and distribution	36,300	57,376
	75,910	104,544
Debt charges		
Interest on long term debt	52,164	48,166
Principal instalments	7,973	7,876
	60,137	56,042
Transfer to water capital fund	57,997	72,906
Total expenditure	211,283	233,492
Excess of revenue over expenditure for the year - Statement B	$ 9,460	$ 32,383

Treasurer

STATEMENT E

THE CORPORATION OF THE CITY OF ROSSLAND

SEWER OPERATING FUND

STATEMENT OF REVENUE AND EXPENDITURE

YEAR ENDED DECEMBER 31, 1986

	1986	1985
Revenue		
Sale of services	$ 120,807	$ 68,456
Other services	2,544	723
Transfers from general operating fund - Statement C - Note 4	90,957	213,528
Conditional transfers from provincial government	39,110	-
Unconditional transfers from provincial government	47,038	48,975
Transfer from sewer capital fund	9,785	10,600
Total revenue	310,241	342,282
Expenditure		
General government services	17,239	
Environmental health services		
Sewage collection system	65,996	54,993
Unconditional transfer to Regional District of Kootenay Boundary	107,022	87,640
	173,018	142,633
Debt charges		
Interest on debentures	34,615	30,878
Principal instalments	10,272	12,330
	44,887	43,208
Transfer to sewer capital fund	35,913	156,441
Total expenditure	271,057	342,282
Excess of revenue over expenditure for the year - Statement B	$ 39,184	$ -

STATEMENT F

LIABILITIES

	1986	1985
General capital fund		
Other loans	$ 125,000	$ -
Long term debt - Schedule 1, Note 2	826,009	846,808
Equity in fixed assets - Statement G	1,589,426	3,573,604
	2,540,435	4,420,412
Water capital fund		
Long term debt - Schedule 1, Note 2	376,568	385,920
Equity in fixed assets - Statement G	69,213	57,173
	445,781	443,093
Sewer capital fund		
Due to sewer operating fund	39,110	-
Long term debt - Schedule 1, Note 2	222,167	232,950
Equity in fixed assets - Statement G	140,845	143,992
	402,122	376,942
	$ 3,388,338	$ 5,240,447

THE CORPORATION OF THE CITY OF ROSSLAND

COMBINED STATEMENT OF EQUITY IN CAPITAL ASSETS

YEAR ENDED DECEMBER 31, 1986

	1986				1985
	General Capital Fund	Water Capital Fund	Sewer Capital Fund	Total	Total
Balance, beginning of year	$ 3,573,604	$ 57,173	$ 143,992	$ 3,774,769	$ 4,847,985
Add: Actuarial adjustment	2,689	1,379	511	4,579	2,886
Proceeds from sale of equipment	18,832	-	-	18,832	33,000
Internal interest	-	184	272	456	5,224
Principle repayment of debentures	64,110	7,974	10,272	82,356	59,391
Retirement of lease obligations	-	-	-	-	5,616
Transfers from own funds - Operating	247,216	57,997	35,913	341,126	389,513
Reserve for future capital expenditures	-	-	-	-	15,577
	3,906,451	124,707	190,960	4,222,118	5,359,192
Less: Prior period adjustments	1,415	-	-	1,415	-
Depreciation provided	255,715	47,890	40,330	343,935	322,259
Debentures paid by hospital	-	-	-	-	3,000
Transfer By-law funds to operating	-	7,604	9,785	17,389	114,212
Disposal of equipment	31,716	-	-	31,716	33,000
Valuation of assets-Note 1	2,028,179	-	-	2,028,179	1,111,952
	2,317,025	55,494	50,115	2,422,634	1,584,423
Balance, end of year - Statement F	$ 1,589,426	$ 69,213	$ 140,845	$ 1,799,484	$ 3,774,769

Treasurer

STATEMENT II

THE CORPORATION OF THE CITY OF ROSSLAND

COMBINED CAPITAL FUNDS

STATEMENT OF CAPITAL FINANCING

YEAR ENDED DECEMBER 31, 1986

	1986				1985
	General Capital Fund	Water Capital Fund	Sewer Capital Fund	Total	Total
Funds acquired					
Unexpended funds at beginning of year	$ 1,000	$ 7,420	$ 9,549	$ 17,969	$ 125,959
Sale of equipment	18,832	-	-	18,832	-
General reserve accounts	-	-	-	-	15,577
Temporary borrowing	125,000	-	-	125,000	-
Long term debt incurred:					
Debentures issued by Municipal Finance Authority	46,000	-	-	46,000	270,000
Internal interest	-	184	272	456	5,224
Provincial Government grants	-	-	39,110	39,110	-
Transfers from own funds:					
Operating funds	247,216	57,997	35,913	341,126	389,513
	438,048	65,601	84,844	588,493	806,273
Funds applied					
Temporary borrowing	-	-	-	-	272,126
Capital expenditures for tangible assets	436,516	57,997	35,913	530,426	389,513
Transfer By-law funds	-	7,604	9,785	17,389	111,088
Reduction in capital reserves	-	-	-	-	15,577
	436,516	65,601	45,698	547,815	788,304
Unexpended funds, end of year	$ 1,532	$ -	$ 39,146	$ 40,678	$ 17,969

Treasurer

THE CORPORATION OF THE CITY OF ROSSLAND

TRUST AND RESERVE FUNDS

BALANCE SHEET - DECEMBER 31, 1986

	1986			1985
	Tax sale Land	Sale of Land	Total	Total
Assets				
Cash	$ 4,502	$ 1,011	$ 5,513	$ 1,204
Due from general operating fund	-	-	-	12,933
	$ 4,502	$ 1,011	$ 5,513	$ 14,137
Fund balances				
Balance - beginning of year	$ 7,322	$ 6,815	$ 14,137	$ 77,484
Add: Interest received	280	196	476	3,883
Proceeds from sale of land	-	-	-	1,000
	7,602	7,011	14,613	82,367
Less: Transfers to operating fund	3,100	6,000	9,100	68,230
Balance, end of year	$ 4,502	$ 1,011	$ 5,513	$ 14,137

Treasurer

THE CORPORATION OF THE CITY OF ROSSLAND

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 1986

Note 1 - Accounting policies

a) In 1985 there was a change in the valuation and depreciation policies for fixed assets. In accordance with By-law #1540, land and buildings acquired prior to 1985 have been revalued to reflect the 1985 assessment value. Land and buildings acquired after January 1, 1985 were recorded at actual cost, unless they were acquired for a nominal value. If acquired for a nominal value they are recorded at the latest current assessment value. All engineering structures acquired prior to January 1, 1985 are valued at the balance of the outstanding debt incurred to acquire the asset. Engineering structures acquired after January 1, 1985 are valued at cost. All machinery and equipment acquired prior to January 1, 1985 are recorded at estimated current value. Machinery and equipment acquired after January 1, 1985 are recorded at cost.

In previous years, land in the Capital Fund included land acquired by the City in tax sales. In 1986 there has been a change in accounting policy. The tax sale lands will now be reflected solely as inventory in the Operating Fund. Land in the Capital Fund will include only the properties being utilized by the City of Rossland. This change in policy has been given retroactive application and the 1985 land figure has been restated.

The method of depreciation is declining balance. The rates applied on net book value are as follows:

Vehicles	- 30%
Machinery and equipment	- 20%
Engineering structures	- 10%
Buildings	- 5%

The City takes a full year's depreciation in the year of aquisition and no depreciation in the year of disposal.

b) Interest charges on long term debt are not accrued.

Note 2 - Long term debt

Debt payable in U. S. funds has been reflected in the accounts on the basis that one dollar U. S. equals one dollar Canadian. At December 31, the debt payable in U. S. dollars was $286,524. The Canadian dollar equivalent of the debt was $381,077.

THE CORPORATION OF THE CITY OF ROSSLAND

COMBINED BALANCE SHEET - CAPITAL FUNDS

DECEMBER 31, 1986

ASSETS

	1986	1985
General capital fund		
Cash	$ 1,000	$ 1,000
Due from general operating fund	532	-
Engineering structures	924,615	869,093
Buildings	1,048,600	1,018,215
Machinery and equipment	240,531	211,488
Land	295,600	2,303,528
Work in progress	29,557	17,088
	2,540,435	4,420,412
Water capital fund		
Due from general operating fund	-	7,420
Engineering structures	431,013	420,905
Work in progress	14,768	14,768
	445,781	443,093
Sewer capital fund		
Cash	39,146	
Due from general operating fund	-	9,549
Engineering structures	362,976	367,393
	402,122	376,942
	$ 3,388,338	$ 5,240,447

Treasurer

SCHEDULE 1

THE CORPORATION OF THE CITY OF ROSSLAND

SCHEDULE OF DEBENTURE DEBT AND SHORT-TERM CAPITAL BORROWING

YEAR ENDED DECEMBER 31, 1986

By-law No.	Date of Issue	Original Amount	Balance Out-standing Jan 1/86	Actuarial Adjustment	1986 Principal Payments	Balance Out-standing Dec 31/86	1986 Interest
General							
1302	1977	$ 46,875	$ 13,236	$ -	$ 6,302	$ 6,934	$ 1,322
1327	1979	21,630	18,549	154	453	17,942	2,298
1353	1980	134,300	111,857	1,122	4,062	106,673	13,934
1389	1980	135,746	125,693	-	2,914	122,779	17,346
1423	1982	178,104	161,124	849	5,386	154,889	26,938
1459	1983	33,513	15,639	-	6,703	8,936	1,689
1460	1984	270,000	270,000	-	27,000	243,000	12,960
1475	1984	142,000	130,710	564	11,290	118,856	18,460
1587	1986	46,000	-	-	-	46,000	946
		1,008,168	846,808	2,689	64,110	826,009	95,893
Water							
1327	1979	129,280	110,857	921	2,709	107,227	13,736
1391	1980	73,767	71,020	-	797	70,223	9,815
1444	1983	213,200	204,043	458	4,467	199,118	24,518
		416,247	385,920	1,379	7,973	376,568	48,069
Sewer							
1327	1979	48,390	41,495	344	1,014	40,137	5,141
1391	1980	98,244	94,585	-	1,061	93,524	13,072
1445	1983	77,970	74,620	167	1,634	72,819	8,967
1515	1984	31,000	22,250	-	6,563	15,687	2,346
		255,604	232,950	511	10,272	222,167	29,526
Totals		$ 1,680,019	$ 1,465,678	$ 4,579	$ 82,356	$ 1,424,743	$ 173,488

Note 3 - Contingent liabilities

The Corporation of the City of Rossland as a member of the Regional District of Kootenay Boundary is jointly and severally liable for the borrowing of this authority.

Note 4 - Transfers from general operating

For the sewer operating fund, the transfer from general operating consists of $71,557 of frontage taxes collected on behalf of sewer operating and $19,400 Regional District levies.

Note 5 - Pursuant to the request from the Department of Municipal Affairs, the Combined Statement of Operating Funds Surplus - Statement B - has been restructured to reflect each operating fund separately. The 1985 comparative figures have been restated to reflect this change in format.